

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re the Matter of: : 05-44481
DELPHI CORPORATION, : One Bowling Green
Debtors. : New York, New York
October 18, 2005
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TRANSCRIPT OF MOTIONS
BEFORE THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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1 MS. MARAFIOTI: Good afternoon, Your Honor.

2 THE COURT: Good afternoon.

3 MS. MARAFIOTI: Kayalyn Marafioti on behalf of
4 Delphi Corporation.

5 We're here today on a couple of procedural matters.

6 Last Friday which was six days after the initial
7 filing by 39 of the debtors in this case, three additional
8 debtors sought Chapter 11 relief. These were Delphi Furukawa
9 Wiring Systems, LLC, MobileAria, Inc. and Delphia Receivables,
10 LLC.

11 The first two of these are not wholly-owned by the
12 debtors. They are eighty percent and 71.25 percent owned by
13 the debtors. That in part accounted for the delay in the
14 filing. The third of these is actually a securitization
15 entity that no longer has any assets or liabilities and we
16 pondered a little bit longer whether to file that entity or
17 not.

18 In any event, Your Honor, we believe that it would
19 be appropriate for the joint administration order that was
20 entered on the 8th of October to be applicable to these three
21 debtors as well. We think that that would ease the
22 administration of the cases. They are part of the family of
23 the Delphi Corporation entities and we think that for all the
24 reasons set forth in our papers it would make sense to have
25 these under the umbrella of the joint administration order

1 with the same docket number which is 44481 applied to them as
2 well.

3 THE COURT: Okay.

4 As far as the first two debtors, MobileAria and
5 Furukawa Wiring, what sort of notice were you able to give?

6 MS. MARAFIOTI: With respect to all of them, Your
7 Honor, on Friday evening notice was sent out, unfortunately,
8 by regular mail so that probably didn't arrive until we don't
9 know exactly when.

10 Yesterday, we sent out by overnight mail notice of
11 all of these filings and the motions that are on the calendar
12 this afternoon.

13 THE COURT: Okay.

14 MS. MARAFIOTI: We also faxed that notice out to the
15 various parties, Your Honor, as well.

16 THE COURT: Okay.

17 To the largest creditors of these entities?

18 MS. MARAFIOTI: That's right, as well as the banks,
19 the pre and post-petition banks --

20 THE COURT: The master list?

21 MS. MARAFIOTI: The master list in essence, Your
22 Honor.

23 THE COURT: Did you receive any objections?

24 MS. MARAFIOTI: We did not and in fact today in the
25 courtroom you will find counsel for Latham & Watkins which was

1 chosen yesterday evening as counsel to the newly appointed
2 creditors committee and with actually one exception, I think
3 they have no problems on the papers that we have before you
4 today.

5 THE COURT: Okay.

6 MR. BROUDE: Good afternoon, Your Honor.

7 Mark Broude of Latham & Watkins, proposed counsel
8 for the official committee of unsecured creditors.

9 As Ms. Marafioti noted, last night a committee of
10 seven was appointed. It consists of General Electric, the
11 International Union of Electrical Salaried Machine and
12 Furniture Workers, Flextronics International, Free Scale
13 Semiconductors, EDS, Wilmington Trust and Capri and last night
14 they selected Latham & Watkins as they're proposed counsel.

15 We received relatively soon thereafter an e-mail
16 from debtor's counsel with copies of the motion and the
17 proposed orders. I have reviewed them. I provided some minor
18 comments in the hallways on one order actually I think that
19 Ms. Marafioti has not yet mentioned and, otherwise, we are
20 fine with it, Your Honor.

21 THE COURT: Okay.

22 Well, I have no problem with the administrative
23 consolidation of these three debtors.

24 MS. MARAFIOTI: Very well.

25 Thank you, Your Honor.

1 The second matter before the Court is a motion to in
2 essence cause all of the remaining orders to be applicable to
3 these three debtors as well.

4 Again, they are part of the Delphi Corporation
5 family. The initial affidavit of the CEO of the company really
6 applies to them as well as to all the other entities and for
7 all the reasons stated in that affidavit we would appreciate
8 the Court's approving the applicability of those orders to
9 these three debtors as well.

10 I think the only exception to that, Your Honor, might
11 be the bridge orders. At the time that we filed this motion
12 not all of the interim or final orders had been entered on the
13 docket and we weren't sure if some of the bridge orders might
14 continue but in fact to the extent that the bridge orders
15 really don't apply to these three entities we don't need to
16 have them be applicable and I think those bridge orders are
17 listed on the exhibit to the order that we would ask the Court
18 to sign today.

19 THE COURT: Okay.

20 MS. MARAFIOTI: But without exception, Your Honor,
21 and with one other comment that we received from the creditors
22 committee this afternoon, we would ask that the order be
23 entered and I could just read aloud, perhaps, the one change
24 that was requested.

25 THE COURT: Okay.

1 MS. MARAFIOTI: In the second decretal paragraph of
2 the order it would read as follows: "Any and all generally
3 applicable orders heretofore approved or entered in the initial
4 debtor's Chapter 11 cases and which are identified on Exhibit 1
5 hereto," and again, Your Honor, we would omit the bridge orders
6 that are currently on Exhibit 1, "are applicable to the
7 additional debtors effective as of" -- and here's the change --
8 "the later of the date of entry hereof or the date of entry of
9 the order as applicable" and then it continues. The final
10 change, Your Honor, would be that in Exhibit 1 if you have
11 additional orders to add we would do so only after notifying
12 the unsecured creditors committee.

13 The reason why we think it's appropriate to leave in
14 the words "the later of the date of entry hereof or the date of
15 the entry of the order as applicable" is because with the
16 system being down, I think, yesterday and perhaps for us at
17 least today as well, we just aren't absolutely certain that
18 each of the final orders was entered on the docket so we wanted
19 to be safe.

20 THE COURT: Okay.

21 I know I signed off on them last Friday, right?

22 But we had 6,500 Chapter 7 cases filed last week
23 including over the weekend which is almost half of what we
24 normally get in a year. So, unfortunately, that's why ECF is
25 overburdened, I think.

1 MS. MARAFIOTI: It's not surprising in the
2 circumstances.

3 THE COURT: But so this would apply where there are
4 matters out for final approval like with the investment banker
5 retentions?

6 MS. MARAFIOTI: That's right.

7 THE COURT: These would be incorporated in those
8 automatically?

9 MS. MARAFIOTI: Right. Right.

10 Virtually everything is, as I said, except for the
11 bridge orders.

12 THE COURT: All right.

13 Have each of these debtors actually agreed to be
14 obligated under the DIP agreement?

15 MS. MARAFIOTI: That's actually the one exception,
16 Your Honor, and thank you for reminding me and counsel to the
17 pre-petition lenders is in court today and we were discussing
18 this before hearing began. None of these three entities is a
19 guarantor under the DIP order.

20 THE COURT: Okay.

21 MS. MARAFIOTI: So they're really carved out of it
22 altogether.

23 THE COURT: So the DIP order won't be on the exhibit?

24 MS. MARAFIOTI: That's right. We will omit that one
25 from the exhibit as well.

1 THE COURT: Okay.

2 So there's no issue about priming or --

3 MS. MARAFIOTI: No, Your Honor.

4 THE COURT: Okay.

5 Well, on that record, unless anyone else has anything
6 to say and hearing no one I'll approve the motion as clarified
7 on the record.

8 MS. MARAFIOTI: Thank you, Your Honor.

9 Should we submit the black-lined order with a revised
10 exhibit to chambers?

11 THE COURT: Yes.

12 MS. MARAFIOTI: Very good.

13 THE COURT: Or you can e-mail it to chambers.

14 MS. MARAFIOTI: E-mail it? Okay.

15 THE COURT: Yes.

16 MS. MARAFIOTI: Thank you, Your Honor.

17 THE COURT: Thank you.

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I certify that the foregoing is a transcript from an
electronic sound recording of the proceedings in the above-
entitled matter.

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SHARI RIEMER

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Dated: November 10, 2005

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